



# Iowa Department of Human Services

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Governor

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Lt. Governor

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Director

## INFORMATIONAL LETTER NO.1774-MC-FFS-D

**DATE:** March 16, 2017

**TO:** All Iowa Medicaid Providers

**APPLIES TO:** Fee-for-Service (FFS), Dental

**FROM:** Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

**RE:** Iowa's Participation in the Federal Fiscal Year 2017 PERM Program

**EFFECTIVE:** Upon Receipt

Based on requirements of the Improper Payments Information Act (IPIA) of 2002 (amended in 2010 by the Improper Payments Elimination and Recovery Act or IPERA), the Office of Management and Budget (OMB) has identified Medicaid and the Children's Health Insurance Program (CHIP) as programs at risk for significant improper payments. As a result, the Centers for Medicare and Medicaid Services (CMS) developed the Payment Error Rate Measurement (PERM) program to comply with the IPIA and related guidance issued by the OMB.

The PERM program measures improper payments in Medicaid and CHIP and produces error rates for each program. The error rates are based on reviews of the FFS, MC and eligibility components of Medicaid and CHIP. It is important to note the error rate is not a "fraud rate" but simply a measurement of payments made that did not meet statutory, regulatory or administrative requirements.

Iowa is participating in the Federal Fiscal Year 2017 PERM program. This means that you may be contacted by the CMS national contractor, CNI Advantage, LLC, who will collect medical records from you either in hardcopy or electronic format. CNI Advantage is the Review Contractor (RC) for the PERM effort. Their role is collect state policies, issue medical records requests, and perform medical and data processing reviews based on the records received. The medical records request letters will be sent to Iowa Medicaid enrolled providers beginning in May 2017.

Medical records are needed to support FFS Medicaid and CHIP claims to determine if the claims were correctly paid. If a claim is selected in which your National Provider Number (NPI) was identified on the claim to receive reimbursement, CNI Advantage will send a request for a copy of the required medical records to support the medical review of the claim. Upon receipt of the request for medical records, you **must submit the records within 75 days**. Please note that it is the responsibility of the provider who is identified to receive payment on the claim, to ensure that any and all supporting medical records, from any and all providers who rendered a service on the claim, is submitted in a timely manner.

CNI Advantage will follow up to ensure that you submit the documentation before the time frame has expired. The IME may also contact you to assist in identifying the required documentation for submission.

If the submitted documentation is incomplete, CNI Advantage may contact you for additional documentation. You will then have 14 days to respond to the request. It is important that you cooperate with submitting all requested documentation in a timely and complete manner because the lack of a response or submission of insufficient documentation will count as an error. Failure to cooperate with the records request made by CNI Advantage will result in CMS directing the IME to recover the provider payment associated with the records request.

Understandably, you may be concerned with maintaining the privacy of patient information. However, you are required by Section 1902(a)(27) of the Social Security Act to retain records necessary to disclose the extent of services provided to individuals receiving assistance and furnish CMS, or its contractors, with information regarding any payments claimed by the provider for rendering services. The furnishing of information includes medical records. For CHIP, section 2107(b)(1) of the Act requires a CHIP state plan to provide assurances to the Secretary of Health and Human Services that the state will collect and provide to the Secretary any information required to enable the Secretary to monitor program administration and compliance and to evaluate and compare the effectiveness of states' CHIP plans. In addition, the collection and review of protected health information contained in individual-level medical records for payment review purposes is permissible by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and implementing regulations at 45 Code of Federal Regulations, parts 160 and 164.

Please see the [CMS website for more information on the PERM program](#)<sup>1</sup>.

If you have any questions, please contact the IME Provider Services Unit at 1-800-338-7909 or by email at: [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us).

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<sup>1</sup> <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicaid-and-CHIP-Compliance/PERM/index.html>